



# NOTES FROM THE:

## *Chief for Enlisted Matters*

by CMS Larry Gonzales, DSN 224-5437

As I write this article, my email inbox is full of various emails with information about pay raises, the Thrift Savings Plan, the Career Status Bonus (CSB) option, long-term care insurance for military, etc. Every day, I receive about a dozen or so emails on these types of subjects. I'm not complaining because I asked for them. I have an interest in financial planning so I subscribe to various financial information services to stay informed. Considering all the recent news about these issues, I've decided to devote this article to the subject of financial planning which I believe should be part of everybody's personal wellness program.

People often confuse financial planning with investing. Investments certainly are part of any financial plan, but the financial planning process is much more than that. It really is life planning and has to do with goal setting. We encourage people to set goals for their professional career and it is as important to set goals for other parts of your life. Do you want to buy a house? How about sending your kids to college? Do you want to really retire someday? How about taking a trip to Spain or cruise to Alaska? When are you going to replace your car? Planning on having more children? How are you set up financially to deal with a death in the family or some other kind of tragedy? All of these questions are part of the financial planning process. It is more than simply money management, it is setting life goals and priorities. It is taking stock of where you are at and where you want to go. Money is one of the tools you use to get there. If you haven't done this or it has been a while since you took stock, now is the time to do it.

Where do you start? Get on the internet. There is more there than you know what to do with. Don't let it scare you off, take it a chunk at a time. A great source of information for military personnel and federal employees is *FEDweek* <http://www.fedweek.com/>. Sign up for some of their automated email services. Pick a subject at a time and learn about it. There are also some great software programs that will help you manage your finances to achieve your goals. The Personal Financial Management Program at the Family Sup-

port Center is another good source for information—they are not there just for people who have financial problems.

So, what about those issues I mentioned earlier? Let's look at some of them.

**Pay Raises.** There has been no official decision on the pay raise for 2002. However, it seems almost certain that we all should receive some kind of a pay raise above the rate of inflation. By the time this article is published, most E-5s through E-7s, will have just received a 1 Jul 2001 pay boost. How are you going to spend these raises? I'm sure the answer for some is that they need it to survive and that may be the case. I'll suggest that if you are surviving now, maybe you should give some hard thought to using all or part of the raise to better your financial wellness in the long term.

**CSB Option.** Take \$30,000 now and stay with the Redux retirement or convert to the High Three retirement program. This is a huge decision and is highly individualized. There is no rule of thumb so think this one through carefully! The best web site to help you with this decision is the Military Pay and Benefits web site <http://pay2000.dtic.mil>.

**Thrift Savings Program (TSP) for Military.** TSP reduces current taxes and grows tax deferred. I can't see how anybody would not have use for this excellent program in his or her financial plan. Go to the Thrift Savings Plan web site for more information <http://tsp.gov/>.

Finally, I would be remiss if I didn't mention the part of the financial planning process that addresses how you insure against your risks. Many people don't think buying insurance is part of financial planning, but it absolutely is. The reason you buy insurance is to protect yourself from financial devastation due to unforeseen causes. In other words, you insure yourself against what you cannot afford to happen. One area where I've noticed military personnel often overlook is life insurance on the spouse who works in the home and is the primary caregiver. People usually carry life insurance on the primary wage earner. Military folks rely on SGLI (is it really enough for your situation?). They don't consider the financial impact

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of the loss of the spouse who works at home either through death or disability. This can be a tremendous cost and must be insured against. Don't compound the personal tragedy with a financial tragedy. These are things you need to think about when analyzing your risks.

My purpose in writing this article was to generate some thought about your personal financial plan as part of your overall personal wellness program. If you have a handle on your financial plan, give some thought to those who work for you. Maybe they can benefit from your expertise.



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## Financial Information Systems Program Office (Continued From Page 31)

1998, the SAF/FM chartered an assessment of Air Force and DFAS financial automated systems. The assessment, completed in March 1999, generated a database of information on the functional, technical, and systems integration aspects of all financial and financial feeder systems. The database has gone through several name changes, including Financial Information System Assessment (FISA), JustASK, and ISAG Encyclopedia. The database tool has now been baselined and officially named FACTS. AFMC/FM sponsored the initial development effort and is funding the maintenance cost of the tool. HQ MSG is providing financial management and contract administration support and HQ SSG is responsible for project management.

FACTS is a hyperlinked, web-based management information system. It is designed for a discovery mode of inquiry, much like Internet searching, as opposed to static reports. It provides multiple ways of inquiring about DoD financial information systems. Migration paths of the systems are documented and can be viewed from a hardware, operating system, database, or language perspective, with specific details such as hardware types, database environments, feeder, and receiver systems, etc.

The FACTS customer will primarily be financial personnel who will use the database as a training tool. It will also be used by management as a decision making aid; however, it is available to anyone who has a question about any Air Force automated financial management system. FACTS is now deployed in a maintenance mode and plans are to make it available on the Air Force Portal in the near future. To access FACTS on the Web, the address is: **<http://206.190.171.70>**.

So now you know—you do have the FACTS.

